

Medicare Donut Hole Relief Checks

Written by Mike Honda
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On June 10th, the federal government began sending out the first round of \$250 rebate checks to help eligible Medicare Part D enrollees pay for their prescription drugs. These checks are coming three weeks earlier than scheduled, and represent yet another tangible result of the healthcare reform law passed by Congress earlier this year. An estimated 80,000 Part D enrollees who have fallen through the gap in prescription drug coverage known as the “donut hole” will receive the checks. The Department of Health and Human Services estimates that about 4 million seniors will get the rebates in 2010.

The “donut hole” is a gap in coverage created by legislation enacted by the Republican controlled Congress and President Bush in 2003. Under the Medicare Part D program, beneficiaries pay a \$310 deductible and 25% of their drug costs until the total reaches \$2,830 for the year. After that, they fall into the “donut hole,” at which point they must pay for all of their drug costs, until coverage returns when out-of-pocket drug expenses reach \$4,550. Last year, 382,000 Medicare beneficiaries in the state of California fell through the donut hole.

More help will come next year for seniors as brand-name drug prices will be slashed in half for enrollees and discount drugs will be discounted by 7%. Eventually discount rates should reach a total of 75%, and the donut hole will be completely closed by 2020. As your Representative, I have received thousands of messages about the problems that many of you have getting your prescription medications. Please know that I am constantly working in Congress to ensure that you get the help you need.

For more information please visit www.medicare.gov or call 1-800-MEDICARE. I also encourage you to visit www.healthreform.gov for more information on other benefits the healthcare reform law will provide to Americans.

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